

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

The Financial Oversight and Management Board for
Puerto Rico,

as representative of

The Commonwealth of Puerto Rico, *et al.*,¹

Debtors.

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

The Financial Oversight and Management Board for
Puerto Rico,

as representative of

Puerto Rico Sales Tax Financing Corporation
("COFINA"),

Debtor.

PROMESA

Title III

No. 17 BK 3284-LTS

**This document relates to COFINA
only.**

**SECOND SUPPLEMENTAL VERIFIED STATEMENT OF THE MUTUAL FUND
GROUP PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rule 2019") this verified statement (the "**Second Supplemental Statement**") is submitted by certain holders (the "**Mutual Fund Group**") of bonds issued by (collectively, the "**Bonds**") the Puerto Rico Sales Tax Financing Corporation ("**COFINA**") and other bonds issued by the Commonwealth of Puerto Rico and its instrumentalities in connection with the cases

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

(“**Title III Cases**”) commenced by the above-captioned debtors under title III of the Puerto Rico Oversight, Management, and Economic Stability Act (“**PROMESA**”).

In support of the Second Supplemental Statement, the Mutual Fund Group respectfully states as follows:

1. As of the date of this Second Supplemental Statement, in these Title III Cases, the undersigned represents the Mutual Fund Group (each holder in the Mutual Fund Group, a “**Member**”).

2. On or about June 26 and June 27, 2014, certain funds managed or advised by OppenheimerFunds, Inc. (“**Oppenheimer**”) and Franklin Advisers, Inc. (“**Franklin**”) retained Kramer Levin Naftalis & Frankel LLP (“**Kramer Levin**”) to challenge as unconstitutional the recently passed and soon to be enacted Puerto Rico Debt Enforcement and Recovery Act (the “**Recovery Act**”). Kramer Levin later became engaged to represent Franklin and Oppenheimer as a group in connection with a potential restructuring of bonds issued by the Commonwealth of Puerto Rico and its instrumentalities. In February 2016, certain funds managed or advised by Santander Asset Management, LLC joined the Mutual Fund Group in connection with a potential restructuring of the Bonds.

3. On August 16, 2017, counsel to the Mutual Fund Group submitted the *Verified Statement of the Mutual Fund Group Pursuant to Bankruptcy Rule 2019* [Dkt. No. 1056]. On November 7, 2017, counsel to the Ad Hoc Group submitted the *First Supplemental Verified Statement of the Mutual Fund Group Pursuant to Bankruptcy Rule 2019* [Dkt. No. 1693] (the “**Prior 2019 Statement**”). Counsel to the Mutual Fund Group submits this Second Supplemental Statement to update the disclosable economic interests currently held by Members of the Mutual Fund Group.

4. The Members hold, or are the investment advisors or managers of funds or accounts that hold, approximately \$707 million in aggregate amount of uninsured senior Bonds (based on their accreted value as of December 11, 2017) and approximately \$2.0 billion in aggregate amount of uninsured subordinate bonds (based on their accreted value as of December 11, 2017) as of December 11, 2017. The Members also hold, or are the investment advisors or managers of funds or accounts that hold, approximately \$1.4 billion in aggregate amount of uninsured bonds issued or guaranteed by the Commonwealth of Puerto Rico. In accordance with Bankruptcy Rule 2019, the address and nature and amount of all disclosable economic interests for each Member is set forth in Exhibit A. The information contained in Exhibit A is based upon information provided by the Members to Kramer Levin and is subject to change.

5. As of the date of this Second Supplemental Statement, the undersigned represents only the Mutual Fund Group in connection with the Title III Cases and does not represent or purport to represent any other entities with respect to the Title III Cases.² In addition, each Member of the Mutual Fund Group (a) does not assume any fiduciary or other duties to any other creditor or person and (b) does not purport to act, represent or speak on behalf of any other entities in connection with the Title III Cases.

6. Nothing contained in this Second Supplemental Statement (or Exhibit A hereto) is intended to or should be construed to constitute (a) a waiver or release of any claims filed or to be filed against or interests in the debtors in any title III case held by any Member, its affiliates or any other entity, or (b) an admission with respect to any fact or legal theory.

² The undersigned also represent certain entities, including certain Members and still other non-Members, in connection with debt issued by the Commonwealth of Puerto Rico and its instrumentalities, including issuers that are debtors under PROMESA Title III cases pending in this Court. The undersigned do not represent such non-Members in connection with this Title III Case and those non-Members do not hold Bonds or disclosable economic interests relating to COFINA.

Nothing herein should be construed as a limitation upon, or waiver of, any rights of any Member to assert, file and/or amend any proof of claim in accordance with applicable law and any orders entered in these cases.

7. The undersigned verify that the foregoing is true and correct to the best of their knowledge.

8. The undersigned reserve the right to amend or supplement this Second Supplemental Statement.

I HEREBY CERTIFY that I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will notify case participants.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, December 13, 2017.

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**Admitted Pro Hac Vice*

Counsel for the Mutual Fund Group

Exhibit A

Name of Creditor ¹	Address	Debtor	Nature and Amount of Disclosable Economic Interest ²	
			Bonds ³	Other
Franklin Advisers, Inc. , on behalf of accounts managed or advised by it.	One Franklin Parkway, San Mateo, CA 94403	Commonwealth of Puerto Rico ⁴	Uninsured: \$0 Insured: \$0	\$0
		COFINA (Puerto Rico Sales Tax Financing Corporation)	Sr. Uninsured: \$53,825,000 Sr. Insured: \$0 Jr. Uninsured: \$550,893,586 Jr. Insured: \$0	\$0
		HTA (Puerto Rico Highways and Transportation Authority)	Uninsured: \$0 Insured: \$0	\$0
		ERS (Employees Retirement System of Puerto Rico)	Uninsured: \$0 Insured: \$0	\$0
		PREPA (Puerto Rico Electric Power)	Uninsured: \$601,263,999 ⁵ Insured: \$0	\$0

¹ Each entity listed holds disclosable economic interests, or acts as investment advisor or manager to funds and/or accounts or their respective subsidiaries that hold disclosable economic interests, in relation to the debtors

² To the best of counsel's knowledge, the information included herein is accurate as of December 11, 2017. The amounts set forth herein include only outstanding principal and do not include overdue interest, interest on overdue interest and principal, and accrued interest or other amounts that may be owing under the applicable debt documents and laws. In addition, the amounts set forth herein do not include any disclosable economic interests that are subject to pending trades or other transfers that have not settled or otherwise been closed as of December 11, 2017.

³ With respect to any Capital Appreciation Bonds ("CABs") held by the members, the amounts disclosed consist of their accreted principal amount, calculated as of December 11, 2017, and not the amount due upon maturity.

⁴ Includes bonds guaranteed by the Commonwealth of Puerto Rico that are issued by a Commonwealth instrumentality.

⁵ This is a correction to the figure reported in the Mutual Fund Group's Prior 2019 Statement, [Dkt. No. 1693], which inadvertently reflected PREPA bonds held by Franklin funds that are members of the Ad Hoc Group of PREPA Bondholders (rather than Franklin funds that are members of the Mutual Fund Group), and not a change in position.

Name of Creditor ¹	Address	Debtor	Nature and Amount of Disclosable Economic Interest ²	
			Bonds ³	Other
		Authority)		
OppenheimerFunds, Inc. , on behalf of funds and/or accounts managed or advised by it.	350 Linden Oaks, Rochester, NY 14625	Commonwealth of Puerto Rico⁴	Uninsured: \$1,438,650,000 Insured: \$83,409,000	\$0
		COFINA (Puerto Rico Sales Tax Financing Corporation)	Sr. Uninsured: \$508,955,000 Sr. Insured: \$132,335,906 Jr. Uninsured: \$1,262,984,606 Jr. Insured: \$0	\$0
		HTA (Puerto Rico Highways and Transportation Authority)	Uninsured: \$233,255,000 Insured: \$118,790,000	\$0
		ERS (Employees Retirement System of Puerto Rico)	Uninsured: \$0 Insured: \$0	\$0
		PREPA (Puerto Rico Electric Power Authority)	Uninsured: \$847,827,000 Insured: \$52,280,000	\$0
Santander Asset Management, LLC , on behalf of funds and/or accounts managed or advised by it.	GAM Tower 2nd Floor 2 Tabonuco Street Guaynabo, PR 06968	Commonwealth of Puerto Rico⁴	Uninsured: \$1,500,000 Insured: \$1,105,000	\$0
		COFINA (Puerto Rico Sales Tax Financing Corporation)	Sr. Uninsured: \$143,770,452 Sr. Insured: \$36,913,535 Jr. Uninsured: \$219,975,316 Jr. Insured: \$0	\$0
		HTA (Puerto Rico Highways and Transportation Authority)	Uninsured: \$0 Insured: \$6,085,000	\$0

Name of Creditor ¹	Address	Debtor	Nature and Amount of Disclosable Economic Interest ²	
			Bonds ³	Other
		ERS (Employees Retirement System of Puerto Rico)	Uninsured: \$0 Insured: \$0	\$0
		PREPA (Puerto Rico Electric Power Authority)	Uninsured: \$0 Insured: \$0	\$0